

Reminder: Lenders who wish to participate in this Program must be approved as a correspondent of CBC Mortgage Agency.

CBC Mortgage Agency Product Matrix

	Chenoa Fund							
	Conventional		FHA					
	HomeReady®	Conventional Standard 97®	Rate Advantage	DPA Edge: Soft Second	DPA Edge: Repayable Second			
Program Notes	<p>Neither Chenoa Fund, CBCMA nor any of their products are approved by or affiliated with Fannie Mae®. It is the originating lender's responsibility to ensure that the use of CBCMA second mortgages, the CBCMA first mortgage, and combination of the first and second mortgages are compliant with Fannie Mae's® HomeReady® requirements. All other posted program notes or guidelines are overlays of Chenoa Fund, CBCMA.</p>		<p>Neither Chenoa Fund, CBCMA nor any of their products are approved by or affiliated with Fannie Mae®. It is the originating lender's responsibility to ensure that the use of CBCMA second mortgages, the CBCMA first mortgage, and combination of the first and second mortgages are compliant with Fannie Mae® requirements. All other posted program notes or guidelines are overlays of Chenoa Fund, CBCMA.</p>			<p>UNLESS OTHERWISE SPECIFIED HERE AS AN OVERLAY, CBC MORTGAGE AGENCY ADHERES TO ALL POSTED GUIDELINES FOR FHA ELIGIBILITY AS FOUND IN THE FHA HOUSING HANDBOOK, 4000.1.</p>		
Description of DPA Product Type	<p>Down payment assistance in the form of a 10 Year Fixed Rate Mortgage with an interest rate 2% higher than the first mortgage. Please refer to daily rate sheet for interest rates on FNMA First Mortgage. Chenoa Fund program overlays are not affiliated with Fannie Mae.</p>		<p>Down payment assistance in the form of 10 Year Repayable Secondary Financing at an 8% fixed rate only.</p>	<p>Down payment assistance in the form of Soft/Forgivable Secondary Financing. Second lien is a 30-year term, 0% interest, and no payments due, but will be forgiven after 36 regular on-time payments of the underlying first mortgage.</p>	<p>Down payment assistance in the form of Repayable Secondary Financing. Loan Option 1 is a 10-year term 0% interest rate. Loan Option 2 is a 30-year term, 5% interest rate. Both loans require regular monthly payments.</p>			
Borrower Income Limits	<ul style="list-style-type: none"> No income limits in low-income census tracts. 80% of area median income (AMI) for all other properties. 	<p>No Income Limits.</p>	<p>Fully-amortized second mortgages with a term of 10 years for borrowers with qualifying income <=115% of area median income.</p>	<p>Soft/Forgivable Secondary Financing available to borrower with qualifying income <=115% of area median income per lender contract.</p>	<p>Fully-amortized second mortgages with a term of 10 or 30 years. No income limits for this program!</p>			
AMI Calculation	<p>Not required.</p>		<p>Based on loan QUALIFYING income only (only use income on final loan application). Use HUD AMI chart. https://www.huduser.gov/portal/datasets/il.html</p>					
Occupancy and Property Type	<p>All borrowers must occupy the property as their primary residence. SFR, eligible condos, and PUDs. No manufactured homes. No Co-Ops.</p>		<p>All borrowers must occupy the property as their primary residence. All other FHA guidelines apply.</p>	<p>One of the borrowers must occupy the property as their primary residence. All other FHA guidelines apply.</p>				
1st Time Home Buyer	<p>Not required.</p>	<p>Required.</p>	<p>Not required.</p>					
Product	<p>30-year Fixed Rate Mortgage. First mortgage must be purchased by CBCMA.</p>		<p>30 Year Fixed Rate term with full amortization only: 1. FHA 203 (b) 2. FHA 234 (c) First Mortgage must be purchased by CBCMA.</p>					
Credit Score Comment	<p>All borrowers must have at least one credit score. Soft pull credit report required within 10 days of Note date.</p>							
Minimum Credit Score	<p>640</p>		<p>620</p>					
Max DTI	<ul style="list-style-type: none"> Fico 660+: DTI per AUS Approval. FICO 640-659: Maximum 50% DTI. (Effective September 1, 2019) 		<ul style="list-style-type: none"> FICO 640+: Maximum 50% DTI. 	<ul style="list-style-type: none"> FICO 660+: DTI per AUS Approval. FICO 640-659: Maximum 50% DTI. FICO 620-639: Maximum 45% DTI. (Effective September 1, 2019) 				

	Conventional		FHA		
	HomeReady®*	Conventional Standard 97®*	Rate Advantage	DPA Edge: Soft Second	DPA Edge: Repayable Second
Housing History Requirements	<p>640-659 -Maximum DTI of 50%. -If a borrower exceeds maximum DTI, refer to alternative qualification requirements.</p> <p>660+ -DTI ratio per AUS approval.</p> <p>Alternative Qualification Requirements For borrowers who exceed payment shock and/or DTI requirements, refer to the below options. Option 1 – Maximum DTI 31% front-end AND EITHER Two years employed with the current employer OR two months PITI reserves. Option 2 – Meets VA Residual Income Tests AND EITHER has two years employed with the current employer OR two months PITI reserves.</p>		<p>Alternative Qualification Requirements not applicable to this product.</p>	<p>620-639 (For borrowers with present housing payment) - Verification of 12 months of current housing expense required. - HBE required. - Maximum Payment Shock of 125%. - Maximum DTI of 45%. - If a borrower with present housing payment exceeds payment shock and/or DTI requirements, refer to alternative qualification requirements. <i>-Never to exceed 50% DTI.</i></p> <p>620-639 (For borrowers without present housing payment) -HBE required. -Maximum DTI 31% front-end and 43% backend. -3 months PITI reserves.</p> <p>640-659 -Maximum DTI of 50%. -If a borrower exceeds maximum DTI, refer to alternative qualification requirements.</p> <p>660+ DTI ratio per AUS approval.</p> <p>Alternative Qualification Requirements For borrowers who exceed payment shock and/or DTI requirements, refer to the below options. Option 1 – Maximum DTI 31% front-end AND EITHER Two years employed with the current employer OR two months PITI reserves. Option 2 – Meets VA Residual Income Tests AND EITHER has two years employed with the current employer OR two months PITI reserves.</p>	
Payment Shock Requirements	Borrowers with scores between 620-639 are restricted to a maximum payment shock of 125%. Exceptions are available - but not to exceed 200% payment shock.				
Present Housing Expense & Letter of Explanation	All 1003s must be complete. Present housing payment section must be complete. It should not be left blank. If present housing payment is \$0.00, a letter of explanation is required from the borrower to explain the present housing arrangement. If living rent free, this must be attested to. A 'rent-free' letter from the landlord may be required in some cases if certain QC concerns exist.				
First Mortgage Must Be Sold to CBCMA	Lenders fund the down payment assistance at closing and will be reimbursed by CBCMA upon purchase of the FHA insured first mortgage under the terms of a Funding Obligation Letter.				
Loan Purpose	Purchase Only.				
Homeownership Education	Required. Available from any Fannie Mae approved source. https://homeready.frameworkhomeownership.org	Not Required.		<ul style="list-style-type: none"> Required for borrowers with credits scores between 620-639. This course must be taken prior to closing. CBCMA no longer requires that this course is completed through Hope Loan Port. Any HUD-approved counseling course is approved by CBCMA. However, CBCMA will continue to pay the course fee for those borrowers choosing to take the Hope Loan Port course. https://www.borrowersuccess.org/prepurchase Please note: only the borrowers with scores less than 640 are required to take the course. Any borrower on your transaction with scores equal to or greater than 640 is not required to take the course. 	
Acceptable Sources of Funds for Down Payment and Closing Costs	<ul style="list-style-type: none"> Gifts, grants, and CBCMA second mortgages. Any eligible loan may have more than one CBCMA approved second lien (i.e., third lien) up to the maximum 105% CLTV. Sweat equity is acceptable in accordance with FNMA guidelines. 		<ul style="list-style-type: none"> Gifts, grants, and CBCMA second mortgages. Any eligible loan may have more than one subordinate lien (i.e., third lien). Sweat equity is acceptable in accordance with FHA guidelines. 		

	Conventional		FHA		
	HomeReady®*	Conventional Standard 97®**	Rate Advantage	DPA Edge: Soft Second	DPA Edge: Repayable Second
Minimum Borrower Contribution	\$0				
Manufactured Homes	Not permitted.		Permitted – see the Manufactured Housing Guidelines at chenoafund.org.		
Cash Back to Borrower	Borrower may receive a refund of documented earnest money deposit and other documented, paid third-party costs only.				
Non-Occupant Borrowers	Non-occupant borrowers are not permitted by CBCMA with this program.	Not allowed.		Allowed (Family members or relatives only as defined by FHA). When loan includes a non-occupant co-borrower, qualifying income of only the occupying borrower(s) is used to determine program qualifications under AMI limits.	
Maximum Loan Amount	Per FNMA guidelines - varies by county.		Per FHA guidelines - varies by county.		
Maximum LTV/CLTV and Subordinate Financing	DU® Only – LTV to 95% (New) DU® Only - LTV to 97% DU® Only CLTV to 105%	97% (up to 105% only if the subordinate financing meets the requirements in Fannie Mae's® Selling Guide for loans with higher CLTVs).	To 96.5% LTV. DPA Max Financing = 3.5% of Purchase Price. No max CLTV. (Per FHA guidelines, additional outside financing may be acceptable with unlimited CLTV – conditions may apply.)		
Ineligible Borrowers	Any borrower that does not meet Agency definition of a lawful, legal resident of the United States. For borrower residency or VISA classification acceptance, follow Fannie guidelines or email the Chenoa Fund Scenario Desk for assistance. DACA recipients not allowed.		Any borrower that does not meet FHA's definition of a lawful, legal resident of the United States. For borrower residency or VISA classification acceptance, follow FHA guidelines or email the Chenoa Fund Scenario Desk for assistance. DACA recipients not allowed.		
HPML, High Cost & QM Compliance	HPML transactions are allowed. Lender must comply with CFPB & TRID requirements. High Cost loans are not permitted. All loans must adhere to QM/ATR Compliance – loans exceeding 3% max points/fees test are not permitted unless cures are applied. Bona fide Discount Points must adhere to CFPB and any/all state regulations.				
Mortgage Insurance (MI) Coverage Financed MI	25% MI coverage.	35% MI coverage.	Standard FHA Coverage.		
Fees to CBCMA	\$399 Admin Fee*. No lender fees allowed on secondary financing. <i>*The Admin fee is charged to the Correspondent and reflected on the Purchase Advise as a deduction from the total loan sale proceeds. Any addition to the lender fees to offset this charge to be paid by the borrower must NEVER reflect as a charge payable to CBCMA. This fee MUST always be listed in Section A, either included in the Origination Charges or a separate line item Admin charge – but NEVER reflected as payable to CBCMA. Correspondents who choose to pass this cost along to the borrowers must be prepared to have this included in the TRID points & fees test.</i>				
Fees to Originator	Origination fee must conform to QM guidelines. Discounted points must conform to QM guidelines. Rebuttable Presumption loans are acceptable.		Maximum 1.5% Origination fee (Lender may charge underwriting/processing fees not to exceed QM limits). Discounted points must conform to QM guidelines. Rebuttable Presumption loans are acceptable.	Origination fee must conform to QM guidelines. Discounted points must conform to QM guidelines. Rebuttable Presumption loans are acceptable.	

	Conventional		FHA		
	HomeReady®*	Conventional Standard 97®*	Rate Advantage	DPA Edge: Soft Second	DPA Edge: Repayable Second
AUS	<p><i>DU/DO Only (New - see Correspondent Lending Guide for more information on Fannie Mae updates to DU Risk Assessment effective 7/20/19)</i></p> <ul style="list-style-type: none"> Based on the census tract and borrower income, DU® will notify users when a loan casefile appears to be eligible for HomeReady® but the lender has not underwritten the loan casefile as HomeReady®. Resubmit the loan casefile as HomeReady® loan to obtain the appropriate HomeReady® messaging. The Additional Data screen field will allow the lender to enter census tract information if DU® is unable to geocode the property address. DU® recommendation of Approve/Eligible required. DU® will determine qualifying ratios and reserves. 	DU/DO Only.	DU, Loan Prospector, or TOTAL Scorecard.		

CBC Mortgage Agency - Additional UW and Documentation Overlays
 (Additional Overlays Highlighted in Light Red Throughout Previous Pages)

<i>Max Units</i>	One. 2-4 Units ineligible.	Two. 3-4 Units ineligible.
<i>Manual Underwriting, Exceptions to Minimum Credit Score Requirements</i>	Not Allowed per CBC Mortgage Agency guidelines.	Allowed.
<i>IRS Transcripts Requirements</i>	<p><i>New!- Required ONLY for SELF-EMPLOYED borrowers, or any borrower that needs tax returns for qualifying. W2-only income is no longer required to be validated with transcripts unless the loan is an identity-of-interest transaction or other QC concerns exist. For W2-borrowers, follow AUS requirements for income documentation, or manual UW requirements if the loan is manually downgraded. (New as of 5/15/19)</i></p> <p><i>For questions or exceptions, please email scenariodesk@chenoafund.org</i></p>	
<i>Flood Certificate</i>	CBC Mortgage Agency requires ALL flood certificates to be ordered through Core Logic.	
<i>CBC Mortgage Agency - Rate Sheet Compliance</i>	CBC Mortgage Agency does not charge discount points on any of our loan products. The terminology of 'discount points' has been clarified as to discussions surrounding the price paid to correspondents for rates charged on our rate sheets due to FICO score price adjustments. Please see the Correspondent Lending Guide - pg.46 - for a complete explanation and correct compliance interpretation.	
<i>Initial & Final 1003</i>	<ul style="list-style-type: none"> Either an Initial or a Final 1003 containing the signature of the originating MLO is required. Not a requirement of just the final. Either the Initial 1003 or Final 1003 should be signed, but not both. The 1003 must be completed with the present housing expense section filled out. No exceptions. 	
<i>Required Documents</i>	<p>Secondary Financing requires the delivery of a complete second lien file to include an application, LE, CD and all other state and federal required disclosures.</p> <p>Secondary Financing requires an initial and final 1003, TRID compliant disclosures, and any state required disclosures.</p> <p>The first mortgage file must contain a copy of the Note and Deed of Trust/Mortgage and a Funding Obligation letter dated prior to the loan closing date.</p>	
<i>Seller's CD</i>	A copy of the seller's CD with the Seller's signature is required on all transactions.	

	Conventional		FHA		
	HomeReady®*	Conventional Standard 97®*	Rate Advantage	DPA Edge: Soft Second	DPA Edge: Repayable Second
<i>Ineligible Features</i>	<ul style="list-style-type: none"> · Building on own land · Construction to Perm · Easements and Deed Restrictions that affect value, marketability, or property accessibility as determined by the appraiser and for which no protective title endorsement is available · Loans with resale deed restrictions · Proposed or Under Construction (New construction OK provided that the property is complete at the time of purchase) 				
<i>Escrow Holdbacks</i>	Escrow holdbacks must be weather related and are considered on a case-by-case basis requiring pre-approval. Email scenariodesk@chenoafund.org for more information.				
<i>Intent to Proceed</i>	Documented Intent to Proceed from all borrowers is required on all transactions.				
<i>Mortgage Credit Certificates (MCC)</i>	Allowed. NO LONGER REQUIRED TO BE PRE-APPROVED PRIOR TO SUBMISSION (follow FHA guidelines for approval)				
<i>Gaps in Employment</i>	Employment gaps greater than 30 days require a borrower Letter of Explanation (LOE).				
<i>Mortgage Insurance Certificates (MIC)</i>	Required to be delivered to CBC Mortgage Agency within 30 days of the NOTE DATE. Late delivery fees will apply, if applicable.				
Current Housing Payment (EFFECTIVE as of SEPTEMBER 1)	All applications must contain a 'present' housing payment unless the borrower is currently not making a housing payment. This field may not be left blank. If the borrower is not making a housing payment then \$0.00 should be entered into the 'present' housing payment field on the loan application and the file must contain the following A structured Letter of Explanation from the borrower to specifically address their housing situation.				
<i>Additional Properties Owned</i>	<u>Additional REO may be allowed, but for borrowers retaining their currently owned residence, contact scenariodesk@chenoafund.org for exception requests.</u>	Not Allowed.	Additional REO may be allowed, but borrowers retaining their currently owned primary residence -Not Allowed.	Allowed, but a Letter of Explanation (LOE) is required to explain the motivation to keep current residence while purchasing new. An acceptable reason must be documented for the move, along with the intent behind retaining the current property. Occupancy reasonability must be documented and a QC review may be applied to the transaction. If new residence puts the borrower's commute at an additional distance of 30 minutes to place of employment, Chenoa expects this to be referenced in the LOE.	